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Memorandum

To: Examiner Richard Sukyoon Woo
              Group Art Unit: 3629
Fax No.:   1-703-872-9306

From: Charles R. Malandra
cc: C. Frederickson

Date: February 22, 2005

Subject: **Serial No.: 09/474,642**

Pages: <u>16</u>(including this cover)

Re: U.S. Patent Application Serial No.: 09/474,642
Our Docket #E-978

Enclosed please find a Brief on Appeal from the Primary Examiner in connection with the September 21, 2004, Final Office Action in the above referenced application.
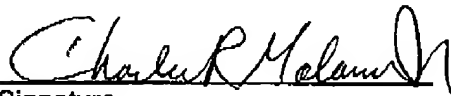
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Patent and Trademark Office
Attention: Examiner Richard Sukyoon Woo, Group Art Unit: 3629
Facsimile No. (703) 872-9306

1.   Transmittal of Appeal Brief (2 Pages); and
2.   Brief on Appeal (13 Pages).

<u>On February 22, 2005</u>
Date of Transmission

<u>Charles R. Malandra, Jr.</u>
Name of Registered Rep.
Reg. No.: 31,038

[signature]
Signature

<u>February 22, 2005</u>
Date

(10035110.1)

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re patent application of:) Date: February 22, 2005

Thomas J. Foth   ) Attorney Docket No.: E-978

Serial No.: 09/474,642   ) Customer No.: 00919

Filed: December 29, 1999   ) Group Art Unit: 3629

Confirmation No.: 2513   ) Examiner: Richard Sukyoon Woo

Title: METHOD AND APPARATUS FOR PROVIDING REFUNDS IN A
          POSTAGE METERING SYSTEM

TRANSMITTAL OF APPEAL BRIEF (PATENT APPLICATION 37 CFR 1.192)

Mail Stop Appeal Brief-Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Sir:

Transmitted herewith is the **APPEAL BRIEF** in the above-identified patent application

with respect to the Notice of Appeal filed on December 21, 2004.

Pursuant to 37 CFR 1.17(c), the fee for filing the Appeal Brief is $500.00

Applicant petitions for a one (1) month extension of time under 37 CFR 1.136. The

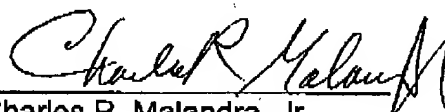fee for a one (1) month extension of time is $120.00.

The total fee due is:

Appeal Fee:	$500.00
Extension of Time Fee:	$120.00
Total Fee Due:	$620.00

-2-

Please charge Deposit Account No. **16-1885** in the amount of $620.00 to cover the above fees.

The Commissioner is hereby authorized to charge any additional fees which may be required to Deposit Account No. **16-1885**.

Respectfully submitted,

Charles R. Malandra, Jr.
Reg. No. 31,038
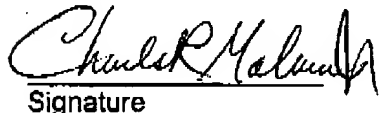Attorney of Record
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Attention: Examiner Richard Sukyoon Woo, Group Art Unit: 3629
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PATENT

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE BOARD OF APPEALS AND PATENT INTERFERENCES

In re patent application of:) Date: February 22, 2005

Thomas J. Foth   ) Attorney Docket No.: E-978

Serial No.: 09/474,642   ) Customer No.: 00919

Filed: December 29, 1999   ) Group Art Unit: 3629

Confirmation No.: 2513   ›   ) Examiner: Richard Sukyoon Woo

Title: METHOD AND APPARATUS FOR PROVIDING REFUNDS IN A
            POSTAGE METERING SYSTEM

BRIEF ON APPEAL

Assistant Commissioner for Patents
Washington, D.C. 20231

Sir:

This Appeal Brief is being filed together with a Petition for a One-Month Extension of Time. The Appeal Fee in the amount of $500.00 and the One-Month Extension of Time Fee in the amount of $120.00 should be charged to deposit account number 16-1885. If the fees for this appeal or extension of time are deemed to be insufficient, authorization is hereby given to charge any deficiency (or credit any balance) to deposit account number 16-1885.

REAL PARTY IN INTEREST

The real party in interest is Pitney Bowes Inc. which acquired all rights to the above-identified application by way of an assignment which was recorded in the Assignment Branch of the United States Patent and Trademark Office on December 29, 1999 at Reel 010486 and Frame 0427.

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RELATED APPEALS AND INTERFERENCES

There are no related Appeals or Interferences which will directly affect or be directly affected by or have a bearing on the Board's decision in the instant appeal.

STATUS OF CLAIMS

This Application is on Appeal, pursuant to 35 U.S.C. Section 134, from the Final rejection of claims 1, 3, 6, 7, 9-17, 19, and 20 dated September 21, 2004. The instant application was originally filed with claims 1-10. In the Amendment filed on January 06, 2003, claims 1, and 7-9 were amended and claims 11-21 were added. In an amendment filed on October 14, 2003, claims 1, 7, 17 and 20 were amended. A Request for Continued Examination was filed on December 15, 2003. In an amendment filed on June 14, 2004, claims 2, 4, 5, 8, 18, and 21 were canceled and claims 1, 7, 17, and 20 were amended. Accordingly, claims 1, 3, 6, 7, 9-17, 19 and 20 are currently pending and are being appealed. Appendix A sets forth the pending claims.

STATUS OF AMENDMENTS

There are no outstanding amendments to the claims.

SUMMARY OF CLAIMED SUBJECT MATTER

Independent claim 7 is directed to a postage metering system 40 having a postage meter 25 having a vault 19 that accounts for postage dispensed by the postage meter and a processor 35 that controls operation of the postage meter 25. A data center 5 includes a central processing unit (CPU) 7 and a dispute account 41 having a value stored therein which is indicative of the refund request activity of the postage meter. The postage metering system 40 also includes communication means (37, 4, 39) that allows the postage meter 25 to communicate with the data center 5 including permitting the postage meter 25 to request a refund of a postage amount . Upon receiving the request for a refund, the data center CPU determines if the value stored in the dispute account 41 is acceptable to permit the refund; and, if it is, the CPU sends enabling data to postage meter 25 that is useable by the processor 35 to

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add the value of the postage refund request to the vault 19. (See specification page 5, line 13, to page 7, line 23, making reference to Figures 2 and 3)

Claim 1 is a method claim similar to apparatus claim 7 which claims the interaction between a computer 7 and postage meter 25 where the postage meter 25 requests a refund and the computer determines if the amount of the postage request is acceptable relative to a dispute account value. If the request is acceptable, enabling data is sent to the postage meter 25 to permit the vault of the postage meter to be increased by the refund request amount. (See specification page 6, line 25, to page 7, line 23, and Figure 2 steps 106, 110, 112, 114, and 116.

Claim 10 is a Beauregard claim that is a computer readable medium for performing the steps of claim 1. The support discussed above for claim 1 is applicable.

Claim 20 is an apparatus claim that differs from claim 7 in that, instead of a postage meter and a data center, only the postage meter 25 is claimed. Postage meter 25 includes a processor 25 and a vault 19, and a dispute account 41. The dispute account 41 has a value therein that is indicative of the refund activity of the postage meter 25. At times when the postage meter 25 receives a request for a refund, the processor 25 compares the value of the refund request to the value in the dispute account; and, if the comparison is acceptable, the processor 25 adds the refund amount to the vault 19. (See specification page 10, lines 6-18.

Claim 17 is the method that parallels the apparatus of claim 20 and support for this claim is the same as that set forth above for claim 20.

GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

At issue in this Appeal is the propriety of the following rejections: in the dispute account 41

1.   Claim 10 stands rejected under 35 U.S.C. 101 as being directed to non-statutory subject matter.

2.   Claims 1, 3, 6-7, 9-17, and 19-20 stand rejected under 35 U.S.C. 112. second paragraph as being indefinite.

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3.   Claims 1, 3, 7, 10-17, and 19-20 stand rejected under 35 U.S.C. 102(e) as being anticipated by Lewis (U.S. Pat. No. 6,233,565).

4.   Claims 6 and 9 stand rejected under 35 U.S.C. 103(a) as being unpatentable over Lewis.

ARGUMENTS

Rejection 1

Applicant submits that claim 10 represents patentable subject matter as set forth in *In re Beauregard* 35 USPQ 2d 1383, 1384 (Fed. Cir. 1995) where the Commissioner of Patents agreed:

> that computer programs embodied in a tangible
> medium, such as floppy diskettes, are patentable
> subject matter under 35 U.S.C. §101 and must be
> examined under 35 U.S.C. §§ 102 and 103.

The Examiner states that the subject matter of claim 10 does not produce a concrete, useful, and tangible result until the claimed computer readable medium is executed by a computer. However, the Examiner cites no case law in support of his position. Does this mean that a claim to a toaster is non-statutory subject matter until power is applied to it or that a method claim is unpatentable until it is performed?

It is submitted that the rejection of claim 10 under 35 U.S.C. §101 is improper.

Rejection 2

Claims 1, 3, 6-7, 9-17 and 19-20 stand rejected under 35 U.S.C. 112, second paragraph, for being indefinite. In response, the Applicant traverses the Examiner's position that the claims must include an identification of "who" sets up the account. The Applicant is entitled to claim the invention as broad as desired as long as one skilled in the art is able to understand the invention. The Examiner's insistence on requiring the claims to identify who sets up the dispute

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account is completely misplaced. Each of claims 1, 7, 17 and 20 fully meets the requirements of 35 U.S.C. §112, 2nd paragraph and the Examiner cannot force unnecessary limitations to be added to the claims.

Rejection 3

As discussed in the background of the invention, conventional postage meters include a vault that keeps track of the amount of postage funds available within the postage meter. When a user wishes to print a postage indicium on a mailpiece, the value of the postage is entered into the meter by the user and the indicium is printed including the postage value requested. The postage meter accounts for the "dispensed" postage by reducing the funds available within the vault by the dispensed postage amount. However, sometimes the postage meter may malfunction such that a readable postage indicium is not produced on the mailpiece. In this situation, the dispensed postage has been accounted for in the vault of the postage meter but the user cannot mail the mailpiece since it does not have a valid postage indicium thereon. Accordingly, the user would like to get a refund for the postage accounted for but not used.

In prior art postage metering systems, the user had to bring the mailpiece with the improperly printed postage indicium to the post office to obtain a refund. Further, if no indicium was printed (i.e. printer out of ink) there would not even be an improperly marked mailpiece to bring to the post office as evidence that a refund was appropriate. In view of this situation, the Applicant recognized that there needed to be a simpler way to accommodate the payment of refund requests from postage meter users without requiring physical evidence of the improperly printed postage. On the other hand, if refunds were to be given without question based on a user request, there needed to be some type of control set up to prevent abuse of the system. The Applicant conceived of the concept of a dispute account (shown by way of example and not limitation as numeral 41 in data center 5 of Figure 2) which could be set up for any postage meter to monitor the amount of postage refunded based on requests for refunds related to the operation of a particular postage meter. The dispute account is a counter that is initially set at a threshold value and doesn't necessarily have to be an actual money account. That is, for example, the dispute account can be set by the post office to be set at a value of $10.00. This

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isn't actual money but merely a counter that is reduced by the amount of any refunds that are given in connection with a particular meter. Once a refund request amount is received from a particular meter that is greater than the current value in the dispute account, no further refunds will be provided for that postage meter until the dispute account value is reset by the postal authority.

In operation, the system proposed by the Applicant is designed to provide refunds, without question, upon receiving a request until the point is reached when the cumulative amount of refund requests for a particular postage meter exceeds the threshold value in the dispute account. In essence, the post office is taking the word of the user that a refund is due, at least up to the point where the threshold value is exceeded. This system accommodates legitimate requests for refunds while at the same time it minimizes the post office's susceptibility to unscrupulous individuals who might try to request refunds fraudulently. That is, if the dispute account is set at a reasonable threshold value, refunds could be given for fraudulent refund requests, but such losses would be limited by the threshold value and therefore would be acceptable to the post office as a cost of doing business. The Examiner is advised that the dispute account can be an ascending or descending register as discussed on page 8, lines 1-8. Further, the dispute account can be a counter that counts the number of times a refund has been requested for a particular meter. In this situation, the decision as to whether a refund will be given is based on the number of refund requests made and not on any specific dollar value. Thus, the Examiner needs to realize that the dispute account is used to determine whether a refund will be given and is not necessarily a source of funding for the refund itself.

Finally, in order to effectuate the actual refund of the postage to the user, if the value in the dispute account is not exceeded, the funds in the postage meter vault are automatically and electronically increased by the requested refund amount. Thus, the system is completely self sufficient in approving/disapproving refund requests and in automatically adding postage to the postage meter itself to provide for the refund versus handling the refund using another system/accounting method.

Independent claims 1, 7, 10, 17, and 20 each recite the claimed dispute account which is indicative of the refund activity of a particular postage meter and which is used to determine if a

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refund should be given. Further, each of these independent claims recites that upon a determination that the requested refund should be given, it is accomplished by adding the postage amount that was requested to be refunded to the vault of the postage meter. In Lewis, at column 17, lines 41-56 clearly recite that when a refund is approved, the customer must enter in credit card, debit card, or check information so that the appropriate account can be credited or a check can be issued. Thus, Lewis requires interfacing with either a checking, credit card, or debit transaction system to effectuate the user refund. In the instant invention, the postage metering infrastructure can not only approve the refund but can effectuate the refund by adding postage to the postage meter thereby greatly reducing the infrastructure required to complete the refund request.

Despite the clear language referenced above to the contrary, the Examiner submits that column 3, lines 22-34 support his position that the customer vault 20n receives postage in order to effectuate a postage refund. However, such is not the case. Column 3, lines 22-34 discuss Postal Security Device (PSD) software that "manages the printing at the user of evidence of payment of purchase, e.g., postage, postage corrections, and refunds". However, this general statement would support the activity actually recited at column 17, lines 41-56 that states a refund is provided via a credit or debit account or by issuing a check. The relied upon portion of Lewis does not teach or suggest adding postage value to the postage meter vault to effectuate the approved refund.

It is also submitted in connection with claims 17 and 20 that the dispute account resides within a stand-alone postage meter and not at a data center. The Lewis reference does not teach or suggest such limitation.

Since the Examiner has failed to produce a reference that teaches each element of independent claims 1, 7, 10, 17, and 20, it is submitted that these claims together with dependent claims 3, 11-16, and 19 are not anticipated by Lewis.

Rejection 4

Regarding claim 6, the Examiner simply states that the claimed limitation of sending a message, for one of printing and display at the postage meter, advising that the refund request

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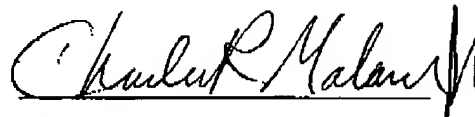
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has been denied is obvious. The Examiner has not produced a reference or even a reason as to why this is the case. Accordingly, it is submitted that a prima facie case of obviousness has not been established for claim 6.

In rejecting claim 9, the Examiner states that since printing receipts is known, the printing of a postage refund receipt by a printing device of a postage meter is obvious. Once again, the Examiner has failed to produce a reference. Moreover, since postage meters typically through the years have had a dedicated printer used solely for printing postage amounts and nothing else, it is incumbent upon the Examiner to produce a reference teaching a postage meter that prints a refund receipt. It is submitted that the Examiner has not established a prima facie case of obviousness for claim 9 in view of Lewis.

SUMMARY

It is submitted for each of the reasons enumerated above that the Examiner has failed to establish the appended claims are unpatentable. Accordingly, the Appellants respectfully request that the Board reverse the Examiner with respect to the outstanding rejections set forth in the final Office Action.

Respectfully submitted,

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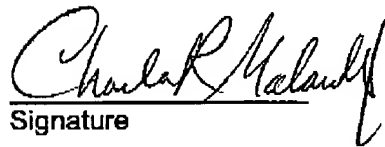
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On February 22, 2005
Date of Transmission

Charles R. Malandara, Jr.
Name of Registered Rep.

Signature

February 22, 2005
Date

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APPENDIX A - Claims

1.   A method for facilitating refunds in a postage metering system, the method comprising the steps of:

receiving at a computer a request for a refund of a postage amount, the request being associated with a postage meter;

using the computer for accessing a dispute account database for identifying a dispute account having a value therein that is indicative of a level of refund activity attributable to the postage meter, the dispute account being associated with the request;

determining, via the computer, if the value in the dispute account is acceptable for permitting a refund of the postage amount; and

at times when the value is determined to be acceptable for permitting the refund of the postage amount, refunding the postage amount to a user of the postage meter by sending enabling data from the computer to the postage meter, the enabling data useable by the postage meter to add the postage amount to a vault of the postage meter.

3.   A method as recited in claim 1, further comprising adjusting the value in the dispute account to account for the postage amount refunded.

6.   A method as recited in claim 1, wherein at times when the value is determined to be not acceptable, sending a message for one of printing and display at the postage meter, the message advising that the request for a refund has been denied.

7.   A postage metering system comprising:

a postage meter having a vault that accounts for postage dispensed by the postage meter and a processor for controlling operation of the postage meter;

a data center in communication with the postage meter, the data center having a central processing unit and a dispute account database, the dispute account

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database having a dispute account having a value therein that is indicative of a level of refund activity attributable to the postage meter, the dispute account being associated with the postage meter;

means for permitting communication between the postage meter and the data center;

wherein at times when the data center receives a request for a refund of a postage amount for the postage meter the central processing unit determines if the value in the dispute account is acceptable for permitting a refund of the postage amount and if it is the central processing unit refunds the postage amount to a user of the postage meter by sending enabling data useable by the processor for adding the postage amount to the postage meter vault.

9.   A postage metering system as recited in claim 7, wherein the postage meter further includes a printing device that prints a receipt of the postage amount refunded.

10.   A computer-readable medium having computer-executable code for performing the steps of claim 1.

11.   A method as recited in claim 1, further comprising sending the request from the postage meter to the computer.

12.   A method as recited in claim 1, wherein the postage meter is remotely located from the computer.

13.   A method as recited in claim 1, further comprising maintaining a transaction record of the refunding at the computer.

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14.   A method as recited in claim 1, wherein the postage amount correlates to a postage value previously dispensed by the postage meter.

15.   A postage metering system as recited in claim 7, wherein the postage meter sends the request to the data center and the postage amount correlates to a postage value previously dispensed by the postage meter.

16.   A postage metering system as recited in claim 7, wherein the postage meter is remotely located from the data center.

17.   A method for facilitating refunds in a postage meter, the method comprising the steps of:

receiving at the postage meter a request for a refund of a postage amount;

accessing a dispute account in the postage meter to determine if a value in the dispute account is acceptable for permitting a refund of the postage amount, the value indicative of a level of refund activity attributable to the postage meter; and

at times when the value is determined to be acceptable for permitting the refund of the postage amount, refunding the postage amount to a user of the postage meter by adding the postage amount to a vault of the postage meter.

19.   A method as recited in claim 17, wherein at times when the postage meter communicates with a remote data center sending a message from the postage meter to the data center to initiate the refunding of the postage amount to the user.

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20. A postage meter comprising:

a processor that controls operation of the postage meter;

a vault that accounts for postage dispensed by the postage meter;

a dispute account having a value therein, the value indicative of a level of refund activity attributable to the meter;

wherein at times when the postage meter receives a request for a refund of a postage amount the processor determines if the value in the dispute account is acceptable for permitting a refund of the postage amount and if it is the processor refunds the postage amount to a user of the postage meter by adding the postage amount to the vault.

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